(b) Government do not issue licences for setting up of private banks. RBI issues licences for setting up of private banks. RBI has informed that they have not issued licences to any new bank which has been promoted by a company whose name figures in the list of defaulters of banks and financial institutions.

(c) Does not arise.

Raja Chelliah Committee

1259. DR. KRUPASINDHU BHOI : Will the Minister of FINANCE be pleased to state :

(a) the salient features of the recommendations of Raja Chelliah Committee; and

(b) the details of those recommendations which have been implemented so far?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) The broad thrust of the Dr. Raja Chelliah Committee's recommendations is on structural reforms in tax laws which are to be implemented in a phased manner.

(b) A number of recommendations have been implemented during the last five years. These include, in respect of Customs duty, reduction in the peak rate of Customs duty, reduction in the number of duty rates and elimination of large number of end use based exemptions, and, in respect of Income Tax, streamlining of deductions under the direct tax laws, introduction of simplified single-sheet return for non-business tax-payers having income upto Rs. 1,20,000/- and simplification of rules and procedures relating to tax deduction at source.

Incentives for Infrastructural Facilities to Export Zones through States

1260. SHRI NAMDEO DIWATHE : Will the Minister of COMMERCE be pleased to state :

(a) whether the Government propose to provide package of incentives to the State Governments for establishment of export zones and other infrastructure facilities in their respective States;

(b) if so, the details thereof;

(c) whether the Government have received any proposals from the Government of Maharashtra for seeking package of incentives for promotion of their products in international market;

(d) if so, the details thereof; and

(e) the steps taken by the Government in regard to involvement of State Government for promotion of exports?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) and (b). A centrally sponsored Export Promotion Industrial Park (EPIP) Scheme was launched in August 1994 with a view to involving the state Governments in creation of infrastructural facilities for export oriented production. The Scheme envisages creation of one EPIP in every state. The Central Government's grant for EPIP would be 75% of capital expenditure limited to Rs. 10 crores in each case. Land has to be organised by the State Government at their expense. The Central Government has so far approved 18 proposals received from the States of Punjab, Maharashtra, Himachal Pradesh, Rajasthan, Karnataka, Kerala, Haryana, Uttar Pradesh, Tamil Nadu, Andhra Pradesh, Gujarat, Bihar, West Bengal, Orissa, Assam, Meghalaya, Madhya Pradesh and Jammu and Kashmir, which are under various stages of implementation.

Seven Export Processing Zones (EPZ) have been set up by the Centre These are situated in Gujarat, Kerala, Maharashtra, Tamil Nadu, U.P., West Bengal and Andhra Pradesh. The Central Government has recently permitted establishment of Export Processing Zones by the State Governments as well as in the Joint/ private sector.

During 1996-97 the Government launched the 'Crucial Balancing Investment Scheme' (C.B.I. Scheme) which envisages balancing capital investments for relieving bottlenecks in infrastructure for export production and conveyance. Proposals identified for assistance under the scheme including those of State Governments are to be financed by the Ministry of Commerce out of the special funds earmarked for the purpose. A sum of Rs. 25 crores has been earmarked for 1996-97 for the purpose.

(c) and (d). The following three proposals from the Government of Maharashtra have been received for road improvement which are under active consideration of the Ministry under the C.B.I. Scheme :

(i) Widening of Mumbai-Nasik section of National Highway No. 3.

(ii) Rehabilitation of Uran Panvel Road State Highway No. 54.

(iii) Improvement of Nasik to Igatpuri section of National Highway No. 3.

(e) The Centre is seeking participation of States in export promotion by provision of infrastructure, input support, relief from imposts, removal of constraints etc. States are also consulted on matters of specific concern to them. Active involvement of the States is an essential part of export measures. At the suggestion of the Ministry of Commerce, most of the State Governments have set up apex-level organisations under the Chairmanship of the Chief Minister or the Chief Secretary to consider and sort out problems faced by the exporters/importers in the respective States. In each State one State Corporation has been recognised as an Export House in relaxation of the minimum export earnings condition.